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DENNIS MONTALI
U.S. Bankruptcy Judge

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric
Company

☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Bankruptcy Case
19-30088 (DM)
Chapter 11
(Lead Case)
(Jointly Administered)

**FINAL ORDER PURSUANT TO 11 U.S.C.
§§ 105(a), 363(b), AND 503(b) AND FED. R.
BANKR. P. 6003 AND 6004 (I) AUTHORIZING
THE DEBTORS TO PAY PREPETITION
OBLIGATIONS OWED TO SHIPPERS,
WAREHOUSEMEN, AND OTHER LIEN
CLAIMANTS, AND (II) GRANTING
ADMINISTRATIVE EXPENSE PRIORITY
STATUS FOR CLAIMS ARISING FROM
GOODS DELIVERED TO THE DEBTORS
POSTPETITION**

1 Upon the Motion, dated January 29, 2019 (the “**Motion**”),¹ of PG&E Corporation (“**PG&E**
2 **Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as debtors and debtors in possession
3 (the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), pursuant to sections
4 105(a), 363(b), and 503(b) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules
5 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), (i) for interim
6 and final authority to pay the prepetition claims (the “**Lien Claims**”) of certain third-party shippers,
7 warehousemen, vendors, and other service providers or contractors that may be permitted to assert
8 statutory or possessory liens against the Debtors’ property and equipment if the Debtors fail to pay the
9 prepetition amounts owed to those parties for their various goods and services (collectively, the “**Lien**
10 **Claimants**”), and (ii) granting administrative priority status to all undisputed obligations of the Debtors
11 owing to third-party vendors and suppliers arising from the postpetition delivery of goods ordered prior
12 to the Petition Date and authorizing the Debtors to pay such obligations in the ordinary course of
13 business, all as more fully set forth in the Motion; and this Court having jurisdiction to consider the
14 Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, *Order Referring*
15 *Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.), and Rule
16 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District
17 of California (the “**Bankruptcy Local Rules**”); and consideration of the Motion and the requested relief
18 being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court
19 pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found and determined that notice of the
20 Motion as provided to the parties listed therein is reasonable and sufficient, and it appearing that no
21 other or further notice need be provided; and this Court having reviewed the Motion and the Wells
22 Declaration (as amended on February 2, 2019 [Docket No. 263]); and this Court having held hearings
23 to consider the relief requested in the Motion on an interim and final basis; and this Court having
24 previously entered an order granting interim relief with respect to the Motion [Docket No. 214]; and
25 this Court having determined that the legal and factual bases set forth in the Motion establish just cause

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27 ¹ Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such
28 terms in the Motion.

1 for the relief granted herein; and it appearing that the relief requested in the Motion is in the best
2 interests of the Debtors, their estates, creditors, shareholders, and all parties in interest; and upon all of
3 the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

4 **IT IS HEREBY ORDERED THAT:**

5 1. The Motion is granted on a final basis, as provided herein.

6 2. The Debtors are authorized, but not directed, pursuant to sections 363(b) and 105(a) of
7 the Bankruptcy Code, to satisfy prepetition Lien Claims in the ordinary course of business, upon such
8 terms and in the manner provided in this Final Order and the Motion.

9 3. The Debtors are authorized, but not directed, to pay Lien Claimants, regardless of
10 whether their Lien Claims arose prior to or after the Petition Date; *provided, however*, that no such
11 payment shall be deemed to be a waiver of rights regarding the extent, validity, perfection, or possible
12 avoidance of any such liens.

13 4. For any payments made to Lien Claimants, the Lien Claimants receiving the payments
14 shall take whatever action is necessary to remove such liens, if any, at such Lien Claimant's sole cost
15 and expense.

16 5. All undisputed obligations of the Debtors arising from the postpetition delivery or
17 shipment of goods by Vendors to the Debtors' facilities under the Prepetition Orders are granted
18 administrative expense priority status pursuant to section 503(b)(1)(A) of the Bankruptcy Code, and
19 the Debtors are authorized to pay such obligations in the ordinary course of business consistent with
20 the Debtors' customary practices in effect prior to the Petition Date.

21 6. The Debtors shall maintain a matrix summarizing (i) the name of each Lien Claimant
22 paid on account of Lien Claims, (ii) the amount paid to each Lien Claimant on account of its Lien
23 Claim, and (iii) the goods or services provided by such Lien Claimant. This matrix shall be provided
24 on a bi-weekly basis to (i) the Office of the United States Trustee for Region 17; (ii) Milbank LLP, as
25 counsel to the Official Committee of Unsecured Creditors; (iii) Baker & Hostetler LLP, as counsel to
26 the Official Committee of Tort Claimants; (iv) counsel to any other statutory committees appointed in
27 these Chapter 11 Cases; and (v) counsel to the agent under the Debtors' debtor-in-possession financing
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1 facility; *provided*, that the professionals for any such committee shall keep the matrix confidential and
2 shall not disclose any of the information in the matrix to anyone, including any member of such
3 committee, without prior written consent of the Debtors.

4 7. Banks and financial institutions are authorized, but not directed, at the Debtors' request,
5 to receive, process, honor and pay, to the extent of funds on deposit, any and all checks issued or to be
6 issued or electronic funds transfers requested or to be requested by the Debtors relating to the Lien
7 Claims and the Prepetition Orders.

8 8. The Debtors are authorized, but not directed, to issue new postpetition checks or effect
9 new electronic funds transfers on account of the Lien Claims and the Prepetition Orders to replace any
10 prepetition checks or electronic funds transfer requests that may be lost, dishonored, or rejected as a
11 result of the commencement of the Chapter 11 Cases.

12 9. Nothing contained in this Final Order or in the Motion is intended to be or shall be
13 construed as (a) an admission as to the validity of any lien or claim against the Debtors, (b) a waiver
14 of the Debtors' or any appropriate party in interest's rights to dispute any claim, or (c) an approval or
15 assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy
16 Code. Likewise any payment made pursuant to this Final Order is not intended to be and shall not be
17 construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such
18 claim subsequently.

19 10. Notwithstanding entry of this Final Order, nothing herein shall create, nor is intended to
20 create, any rights in favor of or enhance the status of any claim held by, any party.

21 11. The requirements of Bankruptcy Rules 4001(d) and 6004(a) have been satisfied.

22 12. Notwithstanding the provisions of Bankruptcy Rules 4001(a)(2) and 6004(h), this Final
23 Order shall be immediately effective and enforceable upon its entry.

24 13. The Debtors are authorized to take all steps necessary or appropriate to carry out this
25 Final Order.

26 14. This Court shall retain jurisdiction to hear and determine all matters arising from or
27 related to the implementation, interpretation, or enforcement of this Final Order.
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**** END OF ORDER ****

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